

CITY OF BELLEVUE, WASHINGTON

ORDINANCE NO. 5493.

An Ordinance of the City Council of the City of Bellevue, Washington, authorizing the issuance and sale of a limited tax general obligation bond anticipation note of the City in the principal amount of not to exceed \$35,000,000 for the purpose of financing projects included in the City's Capital Investment Program; providing the form, terms, conditions, covenants and maturity of the note; authorizing the sale of the note; providing for the disposition of the proceeds of sale of the note to pay for such acquisition and for costs of issuing the Note; and providing for the issuance of limited tax general obligation bonds of the City.

WHEREAS, the City of Bellevue, Washington (the "City"), wishes to fund projects included in the City's Capital Investment Program (the "Project"); and

WHEREAS, RCW 39.46.050 provides that a local government authorized to issue bonds may establish lines of credit with any qualified depository to be drawn upon in exchange for its obligations; and

WHEREAS, in order to establish a non-revolving line of credit to finance the cost of the Project, the Council deems it to be in the best interest of the citizens of the City to issue and sell a short-term obligation to evidence the line of credit in the form of a limited tax general obligation bond anticipation note in the principal amount of not to exceed \$35,000,000 (the "Note"); and

WHEREAS, the City intends to refinance the Note with lawfully available funds and, if necessary, with the proceeds of one or more series of tax-exempt limited tax general obligation bonds; and

WHEREAS, on July 24, 2003, on behalf of the City, the City's Financial Advisor issued a request for proposals from various financial institutions to acquire the Note and received proposals from three such institutions; and

WHEREAS, the Council has deemed the proposal received from Bank of America, N.A. (the "Bank") to be in the best interest of the City and now wishes to authorize the sale of the Note to the Bank on the terms and conditions therein and in this ordinance;

NOW, THEREFORE, BE IT ORDAINED BY THE CITY OF BELLEVUE, WASHINGTON, AS FOLLOWS:

Section 1. Definitions. As used in this ordinance, the following words shall have the following meanings, unless a different meaning clearly appears from the context:

"Arbitrage and Tax Certificate" means the Tax and Arbitrage Certificate signed by the City on the date of closing of the Note.

"Bank" means Bank of America, N.A.

"Bonds" means the limited tax general obligation bonds to be issued by the City to pay and redeem the Note.

"City" means the City of Bellevue, Washington, a municipal corporation duly organized and existing under the laws of the State of Washington.

"City Manager" means the City Manager of the City or any successor to the functions of that position.

"Code" means the Internal Revenue Code of 1986, as amended, together with corresponding and applicable final, temporary or proposed regulations and revenue rulings issued or amended with respect thereto by the United States Treasury Department or the Internal Revenue Service, to the extent applicable to the Note.

"Commitment" means the commitment dated September 19, 2003, submitted by the Bank to purchase the Note.

"Council" means the general legislative authority of the City.

"Debt Service Fund" means the City's Interest and Debt Redemption Regular Levy Fund described in Section 6.

"Finance Director" means the Finance Director of the City or any successor to the functions of that position.

"LIBOR" means the average per annum interest rate (rounded upwards, if necessary, to the nearest 1/100 of 1%) at which U.S. dollar deposits would be offered for a period equal to the LIBOR Interest Rate Period starting on that day by major banks in the London inter-bank market, as shown on the Telerate Page 3750 (or any successor page) at approximately 11:00 a.m. London time, two London Banking Days before the commencement of the interest period. If such rate does not appear on the Telerate Page 3750 (or any successor page), the rate for that LIBOR Interest Rate Period will be determined by such alternate method as reasonably selected by the Bank. The actual first and last days of the LIBOR Interest Rate Period will be determined by the Bank using the practices of the London inter-bank market, taking into account any days on which banks are required or permitted to be closed in New York or London.

"LIBOR Interest Rate Period" means a period between one month and twelve months in length, consisting of one-month increments, specified in a notice of change to the LIBOR Rate Mode. The first day of the LIBOR Interest Rate Period must be a London Banking Day. The date of the last day of the LIBOR Interest Rate

Period and the actual number of days during the interest period will be determined by the Bank using the practices of the London inter-bank market.

"LIBOR Rate Mode" means the mode during which the LIBOR Rate Principal of the Note bears interest at a variable rate equal to the LIBOR Rate for the duration of the LIBOR Interest Rate Period selected.

"LIBOR Rate" means, as selected by the City, a taxable variable rate equal to LIBOR plus 35 basis points or a tax-exempt variable rate equal to (a) the product of 65% of LIBOR, plus (b) 131 basis points.

"LIBOR Rate Principal" means that portion of principal of the Note that is bearing interest at the LIBOR Rate.

"London Banking Day" means a day on which Bank's London Banking Center is open for business and dealing in offshore dollars.

"Note" means the not to exceed \$35,000,000 principal amount of the City of Bellevue, Washington, Limited Tax General Obligation Bond Anticipation Note, 2003 issued pursuant to this ordinance.

"Note Register" means the registration records for the Note maintained by the Note Registrar.

"Note Registrar" means the Finance Director, whose duties include registering and authenticating the Note, maintaining the Note Register, transferring ownership of the Note, and paying the principal of and interest on the Note.

"Outstanding Principal Balance of the Note" means the aggregate of all funds that the City has drawn from the Bank pursuant to the Note.

"Prime Interest Rate" means, as selected by the City, either a taxable variable rate equal to the Prime Rate less 236 basis points, or a tax-exempt variable rate equal to (a) the product of 65% of the Prime Rate less (b) 45 basis points.

"Prime Rate" means the rate of interest publicly announced from time to time by the Bank as its Prime Rate. The Prime Rate is set by the Bank based on various factors, including the Bank's costs and desired return, general economic conditions and other factors, and is used as a reference point for pricing some loans. The Bank may price loans to its customers at, above, or below the Prime Rate. Any change in the Prime Interest Rate shall take effect at the opening of business on the day specified in the public announcement of a change in the Bank's Prime Rate.

"Prime Rate Mode" means the mode during which Prime Rate Principal on the Note bears interest at a variable rate equal to the Prime Interest Rate.

"Prime Rate Principal" means that portion of principal of the Note that is bearing interest at a variable rate equal to the Prime Interest Rate.

"Project" means the projects included in the City's Capital Investment Program.

"Project Fund" means the General Capital Investment Program Fund, No. 3680 to be used to pay costs of the Project and costs of issuing the Note.

"Registered Owner" means the person in whose name the Note is registered on the Note Register.

"Request for Draw" means a written request by the Finance Director for a draw from the non-revolving line of credit authorized to be established by this ordinance, in substantially the form set forth at Exhibit B-1.

"Rule" means the SEC's Rule 15c2-12 under the Securities Exchange Act of 1934.

"SEC" means the Securities and Exchange Commission.

Section 2. Findings and Authorization of Project. The City finds that it is in the interests of the citizens of the City that the City complete the Project. The costs of the Project and the costs of issuing the Note shall be paid out of the proceeds of the Note.

Section 3. Authorization of the Bonds. For the purpose of providing funds to finance or refinance the Project, including costs of issuing the Note and the Bonds, there shall be issued and sold limited tax general obligation bonds of the City to be designated "City of Bellevue, Washington, Limited Tax General Obligation Bonds" in an amount at least sufficient to pay the principal of and interest on the Note or any additional bond anticipation notes issued to redeem the Note on or before maturity, to the extent not paid from other sources.

The Bonds to be issued shall be in such series, principal amounts, denomination(s) and form; shall be dated and bear interest at such rate or rates; shall be payable at such place or places; shall have such option of payment prior to maturity; shall contain and be subject to such covenants; may be combined with any subsequently authorized bonds and issued as a single combined series, as provided hereafter by ordinance of the Council. The Bonds shall be payable from annual taxes levied within and as part of the tax levy permitted the City without a vote of the people together with other money of the City that may be legally used and that the City may apply for such purpose. The full faith, credit and resources of the City are pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 4. Authorization of the Note. In anticipation of the issuance of the Bonds, the City shall, for the purpose of financing the costs of the Project and costs of issuing the Note, establish a non-revolving line of credit. To evidence such line, the City shall issue a short-term obligation in the principal amount of not to exceed

\$35,000,000. The short-term obligation shall be designated the "City of Bellevue, Washington, Limited Tax General Obligation Bond Anticipation Note, 2003," shall be dated as of its date of delivery, shall be fully registered as to both principal and interest, shall be in one denomination of not to exceed \$35,000,000, and shall mature five years after its date of delivery. Amounts drawn on the Note shall bear interest as set forth in the Commitment attached as Exhibit A, which is hereby incorporated by this reference. Pursuant to the Commitment, amounts drawn on the Note shall bear interest in one of two variable rate modes (the LIBOR Rate Mode or the Prime Rate Mode), at either taxable or tax-exempt rates, as selected by the City.

Each draw under the non-revolving line of credit shall be in the Prime Rate Mode unless the LIBOR Rate Mode is elected for all or a portion of the draw. The City hereby delegates to the Finance Director, or her designee, authority to make a written Request for Draw pursuant to this ordinance. The City hereby also delegates to the Finance Director, or her designee, authority to convert all or a portion of the principal of the Note from one mode to the other, and from one tax status to another. Requests for a draw shall be substantially in the form set forth at Exhibit B-1. Elections to convert interest rate modes or tax status or to extend the LIBOR Rate Mode shall be substantially in the form set forth at Exhibit B-2.

The City may convert LIBOR Rate Principal to Prime Rate Principal, or Prime Rate Principal to LIBOR Rate Principal in accordance with this paragraph. In order to request a draw in or a conversion to the LIBOR Rate Mode (or to specify a new LIBOR Interest Rate Period for LIBOR Rate Principal), the Finance Director, or her designee, shall give notice in writing, by facsimile, mail or email of the draw, mode change or extension to the Bank no later than 12:00 noon Seattle time on a London Banking Day that is at least three London Banking Days before the new LIBOR Interest Rate Period is to begin. A LIBOR Rate Mode may only be elected if all LIBOR Rate Principal equals \$500,000 or more. In the event of a draw in the Prime Rate Mode, the Finance Director, or her designee, shall give notice in writing, by facsimile, mail or email of the draw to the Bank by 1:00 p.m. on the day on which the draw is to be made. The notice of a draw in or a conversion to or extension of a LIBOR Rate Mode shall specify the selected LIBOR Interest Rate Period. LIBOR Rate Principal shall automatically be converted to the Prime Rate Mode after the expiration of the LIBOR Rate Period if no new LIBOR Rate Mode is specified in accordance with this paragraph.

Interest on the Note shall accrue from the date money is drawn under the Note until paid and shall be computed on the Outstanding Principal Balance of the Note. Interest on LIBOR Rate Principal shall be calculated on the basis of a 360-day year and the actual number of days elapsed. Interest on Prime Rate Principal shall be calculated on the basis of a 365/366-day year and the actual number of days elapsed. Interest shall be payable semi-annually on each June 1 and December 1, commencing June 1, 2004, and at maturity or upon prepayment. All principal on the Note shall be paid at maturity or upon prepayment. Interest shall be paid by automatic debit from an account at the Bank to be specified by the City (which interest may be paid from a draw under the Note).

Any unused portion of the Note shall be subject to a fee of 10 basis points, payable semi-annually in arrears and calculated on the basis of the average unused portion of the Note and on the basis of a 360-day year and the actual days elapsed. If the average unused portion of the Note is less than or equal to \$14,000,000 for a semi-annual fee period, the fee on such unused portion shall not apply.

The Outstanding Principal Balance of the Note on any particular day shall be the aggregate of all funds which the City has drawn from the date of the Note, less the amount of any prepayments of principal. Interest on a particular principal amount so advanced shall be determined from the date of advance pursuant to a Request for Draw.

Section 5. Registration, Exchange and Payments.

(a) *Registrar/Note Register.* The Finance Director shall act as Note Registrar. The Note Registrar is authorized, on behalf of the City, to authenticate and deliver the Note if transferred or exchanged in accordance with the provisions of the Note and this ordinance and to carry out all of the Note Registrar's powers and duties under this ordinance.

(b) *Registered Ownership.* The City and the Note Registrar may deem and treat the Registered Owner of the Note as the absolute owner for all purposes, and neither the City nor the Note Registrar shall be affected by any notice to the contrary. Payment of the Note shall be made only as described in Section 5(e). All such payments made as described in Section 5(e) shall be valid and shall satisfy the liability of the City upon the Note to the extent of the amount so paid.

(c) *No Transfer or Exchange of Registered Ownership.* The Note shall not be transferable unless (i) the Bank's corporate name is changed and the transfer is necessary to reflect such change; or (ii) the transferee is a successor in interest of the Bank by means of a corporate merger, an exchange of stock, or a sale of assets.

(d) *Registration Covenant.* The City covenants that it will maintain a system for recording the ownership of the Note that complies with the provisions of Section 149 of the Code.

(e) *Place and Medium of Payment.* Both principal of and interest on the Note shall be payable in lawful money of the United States of America. Principal on the Note shall be payable by check or warrant or by other means mutually acceptable to the Bank and the City. Interest shall be payable as set forth in Section 4. Upon final payment of principal and interest of the Note, the Registered Owner shall surrender the Note for cancellation at the office of the Note Registrar.

Section 6. Debt Service Fund. The "Interest and Debt Redemption Regular Levy Fund" (the "Debt Service Fund") has heretofore been established. A new

project entitled "2003 Limited G.O. BAN" is hereby created in the Debt Service Fund. The 2003 Limited G.O. BAN project of the Debt Service Fund shall be drawn upon for the sole purpose of paying the principal of and interest on the Note.

Money in the 2003 Limited G.O. BAN project of the Debt Service Fund may temporarily be deposited in such institutions or invested in such obligations as may be lawful for the investment of City money. Any earnings from the investment of such money shall be deposited in the Debt Service Fund.

Section 7. Payment or Prepayment of the Note. Both the principal of and interest on the Note are payable from the proceeds of the sale of the Bonds or refunding bond anticipation notes to be issued by the City or from any other lawfully available funds. The City hereby covenants with the owner of the Note that it will issue the Bonds, refunding bond anticipation notes, or a combination of the foregoing in an amount sufficient together with other lawfully available funds, to pay when due the principal of and interest on the Note and will thereupon redeem the Note.

The City further irrevocably covenants that, unless the principal of and interest on the Note are paid from other sources, it will make annual levies of taxes upon all of the property in the City subject to taxation within and as a part of the tax levy permitted to cities without a vote of the electors in amounts sufficient to pay such principal and interest as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and for the prompt payment of such principal and interest.

Section 8. Right of Prepayment. The City has reserved the right to prepay the Note in whole or in part on any date at par plus accrued interest. No prepayment penalty shall apply to Prime Rate Principal. Any LIBOR Rate Principal that is prepaid prior to the last day of its LIBOR Rate Interest Period shall be subject to a prepayment fee calculated as set forth in the Commitment. If the Note is prepaid in full, interest shall cease to accrue on the date such prepayment occurs.

The Note evidences a non-revolving line of credit. Any principal amount that is prepaid prior to maturity is not available to be subsequently re-drawn by the City under the Note.

Section 9. Project Fund. The Project Fund has heretofore been established by the City. Money in the Project Fund shall be used to pay costs of the Project, costs of issuing the Note, and all costs incidental thereto. Costs of issuing the Note shall be paid from the CIP Interest and Interim Financing Expense project within the Project Fund.

Money remaining in the Project Fund after all of the costs of the Project, costs of issuing the Note, and all costs incidental thereto have been paid may be used for any lawful City purpose.

Money in the Project Fund may temporarily be deposited in such institutions or in such obligations as may be lawful for the investment of City money. Any earnings from the investment of such money shall be retained in and become a part of the Project Fund.

Section 10. Note Deemed To Be No Longer Outstanding. In the event that the City, in order to effect the payment, retirement or redemption of the Note, sets aside in the Debt Service Fund or in another special account, held in trust by a trustee, cash or noncallable government obligations, as such obligations are now or hereafter defined in RCW 39.53, or any combination of cash and/or noncallable government obligations, in amounts and maturities that, together with the known earned income therefrom, are sufficient to redeem or pay and retire the Note in accordance with its terms and to pay when due the interest thereon, and such cash and/or noncallable government obligations are irrevocably set aside and pledged for such purpose, then no further payments need be made into the Debt Service Fund for the payment of the principal of and interest on the Note. The owner of the Note shall cease to be entitled to any lien, benefit or security of this ordinance except the right to receive payment of principal and interest from such special account, and the Note shall be deemed to be not outstanding under this ordinance.

Section 11. Lost or Destroyed Note. In case the Note shall be lost, stolen or destroyed, the Note Registrar may execute and deliver a new Note of like amount, date, and tenor to the Registered Owner thereof upon the owner paying the expenses and charges of the City and the Note Registrar in connection therewith and upon filing with the Note Registrar evidence satisfactory to the Note Registrar that the Note was actually lost, stolen or destroyed and of his/her/its ownership thereof, and upon furnishing the City with indemnity satisfactory to the Finance Director.

Section 12. Form of the Note. The Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1 Not to exceed \$35,000,000

STATE OF WASHINGTON
CITY OF BELLEVUE, WASHINGTON
LIMITED TAX GENERAL OBLIGATION BOND ANTICIPATION NOTE, 2003

REGISTERED OWNER: BANK OF AMERICA, N.A.

MATURITY DATE: _____, 2008

INTEREST RATE: Variable, as set forth below

PRINCIPAL AMOUNT: NOT TO EXCEED THIRTY-FIVE MILLION AND NO/100
DOLLARS

The City of Bellevue, Washington, a municipal corporation of the State of Washington (the "City") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner hereof, the principal amount of not to exceed \$35,000,000. Each draw pursuant to a Request for Draw under this Note shall bear interest at a taxable or tax-exempt rate in the LIBOR Rate Mode or in the Prime Rate Mode, as set forth in Ordinance No. _____ of the City, adopted on November 3, 2003 (the "Note Ordinance"). Interest on this Note shall accrue from the date money is drawn, pursuant to a Request for Draw, until paid and shall be computed on the principal amount outstanding on the basis of a 360-day year and the actual days elapsed, in the case of the LIBOR Rate Mode, and a 365/366-day year and the actual days elapsed, in the case of the Prime Rate Mode. Interest shall be payable semi-annually on each June 1 and December 1, beginning June 1, 2004 and at maturity or upon early prepayment. Principal on this Note shall be paid on the Maturity Date identified above unless earlier prepaid. Unused portions of this Note shall be subject to the fee, if any, set forth in the Note Ordinance.

Both principal of and interest on this Note are payable in lawful money of the United States of America. Principal and interest shall be paid to the Registered Owner hereof out of the Debt Service Fund of the City. Reference is made to the Note Ordinance for the definition of other capitalized terms used herein.

The City has reserved the right to prepay this Note in whole or in part at any time at a price of par. A prepayment fee may apply, as set forth in the Note Ordinance. Interest shall cease to accrue on the date this Note is prepaid in full.

The City has covenanted with the owner of this Note that it will issue and sell limited tax general obligation bonds in an aggregate principal amount sufficient, with such other moneys of the City available for such purposes as the Council may, from time to time appropriate and set aside, to pay the principal of and interest on this note when due and will thereupon redeem this Note. The City further covenants that it will levy taxes annually upon all the taxable property in the City within the levy limits permitted to cities without a vote of the electors and in amounts sufficient, with other monies legally available therefor, to pay the principal of and interest on this Note as the same shall become due. The full faith, credit and resources of the City are hereby irrevocably pledged for the annual levy and collection of such taxes and the prompt payment of such principal and interest.

This Note shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Note Ordinance until the Certificate of Authentication hereon shall have been manually signed by the Note Registrar.

This Note is issued pursuant to the Constitution and laws of the State of Washington, and duly adopted ordinances of the City, to provide interim financing for projects included in the City's Capital Investment Program.

The Note is not transferable unless (i) the Registered Owner's corporate name is changed and the transfer is necessary to reflect such change; or (ii) the

transferee is a successor in interest of the Registered Owner by means of a corporate merger, an exchange of stock, or a sale of assets.

It is hereby certified and declared that all acts, conditions and things required to be done precedent to and in the issuance of this Note have happened, been done and performed and that the total indebtedness of the City including this Note, does not exceed any constitutional, statutory or charter limitation.

IN WITNESS WHEREOF, the City of Bellevue, Washington, has caused this Note to be signed by the facsimile or manual signature of its Mayor, to be attested by the facsimile or manual signature of its Clerk, and the official seal of the City to be impressed or imprinted hereon, this ____ day of November, 2003.

CITY OF BELLEVUE, WASHINGTON

By _____
Mayor

ATTEST:

Clerk

The Certificate of Authentication for the Note shall be in substantially the following form and shall appear on the front of the Note:

CERTIFICATE OF AUTHENTICATION

Date of Authentication:

This Note is described in the within-referenced Ordinance No. ____ of the City of Bellevue, Washington, and is the City of Bellevue, Washington, Limited Tax General Obligation Bond Anticipation Note, 2003 dated November __, 2003.

FINANCE DIRECTOR
As Note Registrar

By _____

Section 13. Execution of the Note. The Note shall be signed on behalf of the City by the manual or facsimile signature of the Mayor, shall be attested by the manual or facsimile signature of the City Clerk, and shall have the official corporate seal of the City impressed or imprinted thereon.

Only such Note as shall bear thereon a Certificate of Authentication in the form hereinbefore recited, manually executed by the Note Registrar, shall be valid or obligatory for any purpose or entitled to the benefits of this ordinance. Such

Certificate of Authentication shall be conclusive evidence that the Note so authenticated has been duly executed, authenticated and delivered hereunder and is entitled to the benefits of this ordinance.

In case either of the officers of the City who shall have executed the Note shall cease to be such officer or officers of the City before the Note so signed shall have been authenticated or delivered by the Note Registrar, or issued by the City, such Note may nevertheless be authenticated, delivered and issued and upon such authentication, delivery and issuance, shall be as binding upon the City as though those who signed the same had continued to be such officers of the City. The Note may also be signed and attested on behalf of the City by such persons as at the actual date of execution of such Note shall be the proper officers of the City although at the original date of such Note any such person shall not have been such officer.

Section 14. Application of Proceeds of the Note. The proceeds of the Note shall be deposited into the Project Fund and used to finance the Project.

Section 15. Sale of the Note. The City hereby accepts the Commitment in accordance with the terms contained in this ordinance and the Commitment, which is attached as Exhibit A. The Finance Director is hereby authorized to agree to any other terms, conditions and covenants that are in the best interests of the City and in accordance with the Commitment.

The appropriate City officials are hereby authorized and directed to do everything necessary for prompt issuance, execution and delivery of the Note and for the proper application and use of the proceeds thereof. Upon delivery of the Note, the City shall pay to the Bank a fee equal to five basis points of the maximum amount of the line of credit (\$17,500), and reimburse the Bank for its legal fees in an amount not to exceed \$500, which payments shall be made by check, wire transfer or other mutually acceptable means.

Section 16. General Authorization; Ratification of Prior Acts. The Finance Director and other appropriate officers of the City are authorized to take any actions and to execute documents as in her judgment may be necessary or desirable in order to carry out the terms of, and complete the transactions contemplated by, this ordinance. All acts taken pursuant to the authority of this ordinance but prior to its effective date are hereby ratified.

Section 17. Ongoing Disclosure; Information to Bank. With respect to the Note, the City is exempt from the official statement and ongoing disclosure requirements of the Rule.

The City hereby covenants and agrees for as long as any of the Note remains outstanding, that it will provide to the Bank: (i) when prepared and within 10 days after available to the City, a copy of the audited financial statements of the City for each fiscal year; (ii) by June of each budget year, a copy of the City's budget; and (iii) when prepared and available to the City (at least within eight months after the

end of each fiscal year), a copy of the City's Comprehensive Annual Financial Report.

Section 18. Tax Covenant. The Note may bear interest at taxable or tax-exempt rates, as set forth in the definitions of LIBOR Rate and Prime Interest Rate. Notwithstanding the foregoing, the City covenants to take all actions required to maintain the tax-exempt status of interest on the Note under Section 103 of the Code as set forth in the Arbitrage and Tax Certificate.

The Note is not a "qualified tax exempt obligation" under Section 265(b)(3) of the Code for banks, thrift institutions and other financial institutions.

Section 19. Reimbursement. Pursuant to the tax regulation set forth at Section 1.150-2, the City Council hereby designates and appoints the Finance Director as the responsible official for the purpose of issuing statements of official intent in compliance with Section 1.150-2.

Upon a determination by the Finance Director that the costs of one or more capital projects are expected to be reimbursed from the proceeds of the Note, the Finance Director is authorized and directed to execute a certificate of official intent, substantially in the form attached hereto as Exhibit C. Each certificate so executed shall become a part of the official records of the City available for public inspection and review.

Section 20. Severability. If any one or more of the covenants or agreements provided in this ordinance to be performed on the part of the City shall be declared by any court of competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or agreements, shall be null and void and shall be deemed separable from the remaining covenants and agreements of this ordinance and shall in no way affect the validity of the other provisions of this ordinance or of the Note.

Section 21. Effective Date. This ordinance shall become effective five days after its passage and publication, as required by law.

Passed by the City Council this 3rd day of November,
2003, and signed in authentication of its passage this 3rd day of
November, 2003.

(SEAL)

Connie B. Marshall
Connie B. Marshall, Mayor

Approved as to form:

Richard L. Andrews, City Attorney

Patrice C. Cole
Assistant City Attorney

Attest:

Myrna L. Basich
Myrna L. Basich, City Clerk

Published November 7, 2003

Exhibit A

Commitment

Exhibit B-1

Form of Request for Draw

CITY OF BELLEVUE, WASHINGTON
NON-REVOLVING LINE OF CREDIT

REQUEST FOR DRAW NO. _____

TO: _____

On behalf of the City of Bellevue, Washington ("City"), I hereby certify that:

1. I am the Finance Director of the City, or her authorized designee, authorized by Ordinance No. _____ of the City Council passed on November 3, 2003 (the "Ordinance") to request this draw under the Note and to make the representations on behalf of City set forth herein.

2. City requests a draw under the Note in the amount of:

\$ _____

The amount of this draw plus all previous draws of City under the Note do not exceed \$35,000,000. Please disburse the draw to City on (insert date), by depositing funds to City as follows:

ABA Number _____
For the Account of City
Account No. _____
City — Draw No. _____

3. This draw shall bear interest in (check one of the following):

- ☐ the Prime Rate Mode
☐ the LIBOR Rate Mode for a _____ Month LIBOR
Interest Rate Period

4. The draw will be expended for purposes authorized by the Ordinance.

5. Except as previously disclosed to the Bank, there is no action, suit, proceeding or investigation at law or in equity before or by any court or governmental body pending or, to the best of the knowledge of City, threatened against City to restrain or enjoin the adoption of the Ordinance or the execution and delivery of the Note, or the collection and application of funds as contemplated by the Ordinance and the Note, which, in the reasonable judgment of City, would have a material and adverse effect on

the ability of City to pay the amounts due under the Ordinance and the Note.

6. All representations of City in the Ordinance were true and correct when made, and remain true and correct on this date.
7. If the draw shall bear interest in the LIBOR Rate Mode, the City hereby certifies that the amount of LIBOR Rate Principal that will be outstanding following the draw equals or exceeds \$500,000.
8. The City requests that draws under the Note bear interest in a Prime Rate Mode or LIBOR Rate Mode (as selected above) that is:

☐
☐

Taxable
Tax-Exempt

Dated as of this ____ day of _____, ____.

CITY OF BELLEVUE, WASHINGTON

By: _____
Finance Director/Designee

Exhibit B-2

Form of Rate Conversion Election

CITY OF BELLEVUE, WASHINGTON
NON-REVOLVING LINE OF CREDIT
ELECTION TO CONVERT OR EXTEND RATE, CERTIFICATE NO. _____

TO: _____

On behalf of City of Bellevue, Washington ("City"), I hereby certify that:

1. I am the Finance Director of the City, or her authorized designee, authorized by Ordinance No. _____ of the City Council passed on November 3, 2003 (the "Ordinance") to file this certificate electing to convert the interest rate mode or tax status of the Note or extending the interest rate period on the Note and to make the representations on behalf of City set forth herein.
2. City requests that \$_____ Principal amount of Draw No. _____, which was requested under Request For Draw No. _____ in the original principal amount of \$_____ bear interest at (check one of the following):
 - ☐ the Prime Rate Mode beginning at the end of the current LIBOR Interest Rate Period
 - ☐ the LIBOR Rate Mode for a _____ Month LIBOR Interest Rate Period
3. If the draw will bear interest at the LIBOR Rate Mode, the applicable LIBOR Interest Rate Period shall begin (check one):
 - ☐ At the end of the current LIBOR Interest Rate Period, or
 - ☐ On (insert date at least three London Banking Days after this certificate is given to the Bank).

4. If amounts drawn under the Note shall bear interest in the LIBOR Rate Mode, the City hereby certifies that the amount of LIBOR Rate Principal to be converted to the LIBOR Rate Mode equals or exceeds \$500,000
5. The City requests that draws under the Note bear interest in a Prime Rate Mode or LIBOR Rate Mode (as selected above) that is:

☐ Taxable
☐ Tax-Exempt

Dated as of this ____ day of _____, _____.

CITY OF BELLEVUE, WASHINGTON

By: _____
Finance Director/Designee

EXHIBIT C

FORM OF OFFICIAL INTENT CERTIFICATE

Pursuant to Ordinance No. ____ of the City Council of the City of Bellevue, Washington (the "City"), the undersigned, Finance Director of the City hereby states as follows:

Section 1. The City reasonably expects to reimburse the expenditures described herein with the proceeds of debt to be incurred by the City (the "Reimbursement Bonds").

Section 2. The maximum principal amount of Reimbursement Bonds expected to be issued is \$ ____.

[Select one version of Section 3]

Section 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds are for ____ [insert general functional description of the property, project or program, for example, construction of specified facility].

OR

Section 3. The expenditures with respect to which the City reasonably expects to be reimbursed from the proceeds of Reimbursement Bonds will be made from ____ [insert name of fund or account from which the expenditure will be made and description of the functional purpose of the fund, for example, capital improvement program].

Dated this ____ day of ____, 2003.

Finance Director